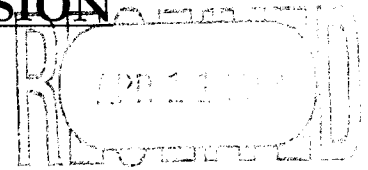


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ARIZONA CORPORATION COMMISSION



ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-03880A
J.N.J. Enterprises L.L.C.
2303 E. Heatherbrae Dr.
Phoenix AZ 85016

ANNUAL REPORT

FOR YEAR ENDING

12	31	2002
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*J.N.J. Enterprises
4-14-03
CJM*

FOR COMMISSION USE

<i>ANN 04</i>	<i>02</i>
---------------	-----------

OK

COMPANY INFORMATION

Company Name (Business Name) JNJ Enterprises, LLC

Mailing Address 2303 E. Heatherbrae
(Street)

Phoenix
(City)

AZ
(State)

85016
(Zip)

602-956-3646
Telephone No. (Include Area Code)

602-356-3646
Fax No. (Include Area Code)

602-201-5415
Pager/Cell No. (Include Area Code)

Email Address ijnj44@cox.net

Local Office Mailing Address same
(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Gerald Lendzion
(Name)

Owner
(Title)

2303 E. Heatherbrae
(Street)

Phoenix
(City)

AZ
(State)

85016
(Zip)

602-956-3646
Telephone No. (Include Area Code)

602-956-3646
Fax No. (Include Area Code)

602-201-5415
Pager/Cell No. (Include Area Code)

Email Address ijnj44@cox.net

On Site Manager: _____
(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Statutory Agent: _____

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: _____

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☒ **Sole Proprietor (S)**

☐ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☐ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☐ **Association/Co op (A)**

☐ **Receivership (R)**

☐ **Limited Liability Company**

☐ **Other (Describe)** _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**

☐ **COCHISE**

☐ **COCONINO**

☒ **GILA**

☐ **GRAHAM**

☐ **GREENLEE**

☐ **LA PAZ**

☐ **MARICOPA**

☐ **MOHAVE**

☐ **NAVAJO**

☐ **PIMA**

☐ **PINAL**

☐ **SANTA CRUZ**

☐ **YAVAPAI**

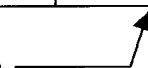
☐ **YUMA**

☐ **STATEWIDE**

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	553	0	553
302	Franchises	0	0	0
303	Land and Land Rights	14945	0	14945
304	Structures and Improvements	14322	4233	10089
307	Wells and Springs	30941	12486	18455
311	Pumping Equipment	29034	19266	9768
320	Water Treatment Equipment	5436	3898	1538
330	Distribution Reservoirs and Standpipes	54533	35557	18976
331	Transmission and Distribution Mains	49251	31478	17773
333	Services	21052	12342	8710
334	Meters and Meter Installations	21775	14367	7408
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	5335	5131	204
340	Office Furniture and Equipment	5958	709	5249
341	Transportation Equipment	15057	7113	7944
343	Tools, Shop and Garage Equipment	6472	4657	1815
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	27034	5292	21742
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	TOTALS	301,698	156,529	145,169

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	553	0	0
302	Franchises	0	0	0
303	Land and Land Rights	14945	0	0
304	Structures and Improvements	14322	3.33	477
307	Wells and Springs	30941	3.33	1031
311	Pumping Equipment	29034	12.50	3629
320	Water Treatment Equipment	5436	20.0	1087
330	Distribution Reservoirs and Standpipes	54533	5.0	2726
331	Transmission and Distribution Mains	49251	2.0	985
333	Services	21052	3.33	701
334	Meters and Meter Installations	21775	8.33	1814
335	Hydrants	0	2.0	0
336	Backflow Prevention Devices	0	6.67	0
339	Other Plant and Misc. Equipment	5335	6.67	356
340	Office Furniture and Equipment	5958	6.67	397
341	Transportation Equipment	15057	20.0	3011
343	Tools, Shop and Garage Equipment	6472	5.0	324
344	Laboratory Equipment	0	10.0	0
345	Power Operated Equipment	27034	5.0	1351
346	Communication Equipment	0	10.0	0
347	Miscellaneous Equipment	0	10.0	0
348	Other Tangible Plant	0	0	0
	TOTALS	301,698		17,889

This amount goes on Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 0	\$ 0
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	636	635
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	0	0
162	Prepayments	0	1032
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 636	\$ 1667
	FIXED ASSETS		
101	Utility Plant in Service	\$ 0	\$ 301,698.
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation – Utility Plant	0	156,529
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	\$ 0	\$ 458,227
	TOTAL ASSETS	\$ 636	\$ 459,894

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 0	\$0
232	Notes Payable (Current Portion)	0	0
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	0	0
236	Accrued Taxes	0	0
237	Accrued Interest	0	0
241	Miscellaneous Current and Accrued Liabilities	0	0
	TOTAL CURRENT LIABILITIES	\$ 0	\$ 0
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 144,982	\$ 133, 533
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction	0	0
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	0	0
272	Less: Amortization of Contributions	0	0
281	Accumulated Deferred Income Tax	0	0
	TOTAL DEFERRED CREDITS	\$ 0	\$ 0
	TOTAL LIABILITIES	\$ 144,982	\$ 133,533
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 30,000	\$ 30,000
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 30,000	\$ 30,000
	TOTAL LIABILITIES AND CAPITAL	\$ 174,982	\$ 163,533

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 56,482	\$ 64,981
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	1075	0
	TOTAL REVENUES	\$ 57,557	\$ 64,981
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 20,812	\$ 20,812
610	Purchased Water	0	0
615	Purchased Power	4233	3792
618	Chemicals	86	143
620	Repairs and Maintenance	9923	6540
621	Office Supplies and Expense	3128	5419
630	Outside Services	23190	8339
635	Water Testing	5378	1941
641	Rents	0	0
650	Transportation Expenses	3039	5411
657	Insurance – General Liability	1616	354
659	Insurance - Health and Life	0	0
666	Regulatory Commission Expense – Rate Case	2000	5000
675	Miscellaneous Expense	2696	4504
403	Depreciation Expense	17300	17889
408	Taxes Other Than Income	0	0
408.11	Property Taxes	2472	4785
409	Income Tax	0	0
	TOTAL OPERATING EXPENSES	\$ 85,467	\$ 84,929
	OPERATING INCOME/(LOSS)	\$ (27,910)	\$ (19,948)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 0	\$ 0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility Expenses	0	0
427	Interest Expense	0	(16479)
	TOTAL OTHER INCOME/(EXPENSE)	\$ 0	\$ (16,479)
	NET INCOME/(LOSS)	\$ (27,910)	\$ (36,427)

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	1/4/01	6/5/00	5/15/00	5/30/00
Source of Loan	Art Gardner	Carroll Powell	Gerald Lendzion	Gerald Lendzion
ACC Decision No.	64197			
Reason for Loan	Purchase water company	Purchase water company	Operating costs	Operating costs
Dollar Amount Issued	\$ 40,000.	\$ 110,000	\$ 1000	\$ 3000
Amount Outstanding	\$ 34,976.	\$ 98,557	\$ 1000	\$ 3000
Date of Maturity	1/4/16	6/5/15	ASAP	ASAP
Interest Rate	7%	7%	0	0
Current Year Interest	\$ 2562	\$ 6479	\$ 0	\$ 0
Current Year Principle	\$ 5515	\$ 4396	\$ 0	\$ 0

Meter Deposit Balance at Test Year End \$ 0

Meter Deposits Refunded During the Test Year \$ 0

COMPANY NAME JNJ Enterprises, LLC

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-800-712	1.0	2	280	6	¾	
55-800-363	1.5	20	60	6	1	
55-800-362	1.5	6		6	¾	
55-543-032	1.5	20		6	1	
55-631-406	3.5	30	94	8	1 ½	
55-627-384	2	30	325	6	1	1999

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
1.5	4	0	0
2	1	0	0

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
5000	2	80	5
10000	2	5000	1
15000	1	3000	1
		2000	1

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	11620
3	PVC	5200
4	PVC	5320
5		
6		
8		
10		
12		
4	Galvanized	4080
3	Galvanized	555
2	Galvanized	5416

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	249
3/4	
1	
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

COMPANY NAME: JNJ Enterprises, LLC

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	249	225,160	
FEBRUARY	249	206,910	
MARCH	249	230,860	
APRIL	249	460,200	
MAY	249	773,480	
JUNE	249	860,890	
JULY	249	548,590	
AUGUST	249	733,460	
SEPTEMBER	249	504,310	
OCTOBER	249	493,800	
NOVEMBER	249	368,270	
DECEMBER	249	298,420	
TOTAL		N/A	

572,420

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (x) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (x) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. _____mg/l

Gardner well #1 <0.001

Gardner well #2 <0.0015

Christopher Creek wells #1, #2, #3, #4 <0.0030

COMPANY NAME JNJ Enterprises, LLC YEAR ENDING 12/31/2002

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 4785.00

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME JNJ Enterprises, LLC YEAR ENDING 12/31/2002

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 0
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 0
Estimated or Actual State Tax Liability 0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 0
Amount of Gross-Up Tax Collected 0
Total Grossed-Up Contributions/Advances 0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

4/14/03
DATE

Gerald L. Lendzion
PRINTED NAME

Owner
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Maricopa
NAME (OWNER OR OFFICIAL) TITLE
Gerald Lendzion
COMPANY NAME
JNJ Enterprises LLC

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

69,406

(THE AMOUNT IN BOX ABOVE
INCLUDES 4,425
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
602-956-3646

TELEPHONE NUMBER

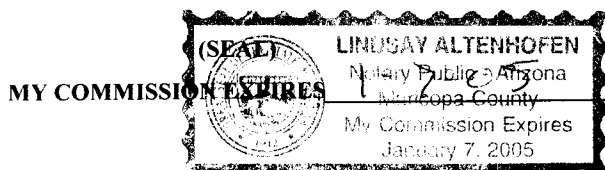
SUBSCRIBED AND SWORN TO BEFORE ME

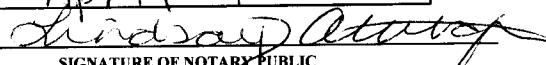
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

11th DAY OF

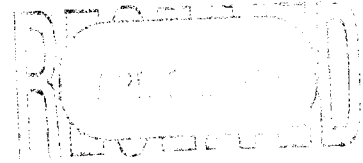
COUNTY NAME	<u>Maricopa</u>	
MONTH	<u>April</u>	<u>2003</u>




SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

ARIZONA INTRASTATE
UTILITY OPERATIONS



VERIFICATION

STATE OF ARIZONA

**I, THE UNDERSIGNED
OF THE**

Maricopa		SS
NAME (Gerald Lenzion	TITLE Owner	
COMPANY NAME JNJ Enterprises LLC		

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 69,406

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 4,425
IN SALES TAXES BILLED, OR COLLECTED

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

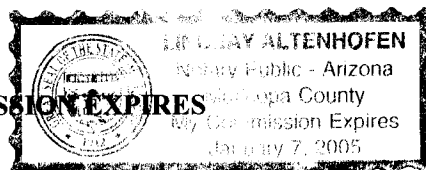
SIGNATURE OF OWNER OR OFFICIAL

**SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 11th DAY OF**

NOTARY PUBLIC NAME Lindsay Altenhofen	
COUNTY NAME maricopa	
MONTH April	20 03

(SEAL)

MY COMMISSION EXPIRES



X
SIGNATURE OF NOTARY PUBLIC

JNJ ENTERPRISES, LLC
2303 EAST HEATHERBRAE DRIVE
PHOENIX, AZ 85016

01-34814

2403

DATE Oct 25 02 91-170
85218 AZ 1221

PAY TO THE ORDER OF Gila Co Treasurer \$ 2,206²⁴/₁₀₀
Two thousand and two hundred six and 24/100 DOLLARS

BANK OF AMERICA
85218 AZ
ACH R/T 122101706

FOR 904-81-001-4 [Signature]
⑈002403⑈ ⑆122101706⑆ 004672117123⑈ ⑈0000220674⑈

01-27746 A 28096 1/2 35179

JNJ ENTERPRISES, LLC
2303 EAST HEATHERBRAE DRIVE
PHOENIX, AZ 85016

2404

DATE Oct 25 2002 91-170
85218 AZ 1221

PAY TO THE ORDER OF Gila Co Treasurer \$ 1,316²⁴/₁₀₀
One thousand and three hundred sixteen and 24/100 DOLLARS

BANK OF AMERICA
85218 AZ
ACH R/T 122101706

FOR [Signature]
⑈002404⑈ ⑆122101706⑆ 004672117123⑈ ⑈0000131624⑈

01-34840

1052

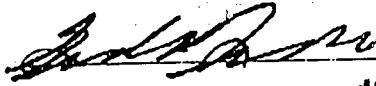
2427

JNJ ENTERPRISES, LLC
2303 EAST HEATHERBRAE DRIVE
PHOENIX, AZ 85018

DATE Dec 8 200291-170
AZ
1221

PAY TO THE ORDER OF Gila Co Treasurer \$ 630⁹⁹
Six Hundred thirty & 99/100 DOLLARS

BANK OF AMERICA
05015 AZ
ACH R/T 122101706

FOR Carbon 2001 tax

⑈002427⑈ ⑆122101706⑆ 004672117123⑈

⑈0000063099⑈

01-34840

242

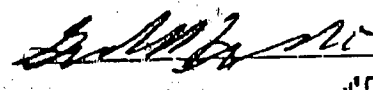
.2427
2428

JNJ ENTERPRISES, LLC
2303 EAST HEATHERBRAE DRIVE
PHOENIX, AZ 85018

DATE Dec 8 200291-170
AZ
1221

PAY TO THE ORDER OF Gila Co Treasurer \$ 631²³
Six Hundred thirty one & 23/100 DOLLARS

BANK OF AMERICA
05015 AZ
ACH R/T 122101706

FOR Carbon in 2002

⑈002428⑈ ⑆122101706⑆ 004672117123⑈

⑈0000063123⑈